

# State of South Dakota

## EIGHTIETH SESSION LEGISLATIVE ASSEMBLY, 2005

337L0027

### HOUSE BILL NO. 1094

Introduced by: Representatives Gillespie, Boomgarden, Dykstra, Rounds, and Schafer and  
Senators Broderick, McCracken, Nesselhuf, and Sutton (Dan)

1 FOR AN ACT ENTITLED, An Act to provide for the division of farm mutual insurance  
2 companies.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That chapter 58-35 be amended by adding thereto a NEW SECTION to read as  
5 follows:

6 Any farm mutual may divide itself into two or more farm mutuals. A written plan of division  
7 shall be prepared by the board of directors or by a committee selected by the board for that  
8 purpose. The plan of division shall set forth all the terms of the division and the proposed effect  
9 of the division on all members of the farm mutual. The plan shall also contain the articles of  
10 each new farm mutual being formed, if applicable, and any amendments to the articles of the  
11 remaining farm mutual. The applicable provisions of § 58-35-60 apply to the plan of division  
12 and to the merger or integration of the divided farm mutual into another farm mutual or farm  
13 mutuals.

14 Section 2. That chapter 58-35 be amended by adding thereto a NEW SECTION to read as  
15 follows:



1       The members of the farm mutual shall vote on the proposed plan of division in the manner  
2       provided in §§ 58-35-61 and 58-35-62.

3       Section 3. That chapter 58-35 be amended by adding thereto a NEW SECTION to read as  
4       follows:

5       The articles of division of a farm mutual, if approved, shall set forth the approved plan and  
6       such other information as required by § 58-35-63 and shall be filed and approved as provided  
7       for by § 58-35-64. Each part of the plan that contains the articles of a new farm mutual shall be  
8       separately filed and recorded as articles of incorporation for such new farm mutual. Any new  
9       farm mutual formed pursuant to this Act is subject to the provisions of this chapter in the same  
10      manner as any other farm mutual.